

FISCAL MEMORANDUM

SB 1152 – HB 1204

April 23, 2007

SUMMARY OF AMENDMENTS (006745, 006803): The first amendment rewrites the Tennessee Tollway Act (TTA) by adding new language concerning (1) the economic, social, and environmental effects of any such tollway project, (2) the issuance, terms, and securitization of bonds related to any such tollway project, and (3) authorizations and/or powers granted to the Department of Transportation and to the State Funding Board. The second amendment requires the TTA to be a pilot project in order to review and assess the impact of user-paid transportation enterprises in Tennessee.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – The fiscal impact of this bill is relative to the period of time considered. Over long periods of time (typically 20 to 30 years), the type of capital projects identified in this bill are expected to be revenue generators for the state or self-supporting at a minimum in that revenues would offset expenses incurred. Over shorter periods of time (1 to 5 years), state expenditures are expected to increase significantly relative to any increase of state revenues. Determining the extent of such shorter-term impacts is dependent upon several unknown factors such as the number of projects that will be undertaken, the scope and timing of such projects, the extent of funding acquired by the state as the result of any subsequent bond issues or federal funding, and toll revenue expectations. As a result, determining a precise fiscal impact for this bill is difficult. However, the increase to state expenditures is reasonably expected to exceed any increase of state revenues by \$1,000,000 or more in each of the first three years for any such project undertaken.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from original fiscal note

Assumptions applied to amendment:

- Such pilot project is limited to one (1) highway and one (1) bridge in this state.
- A contract for the design and construction of a tolled highway and bridge shall be awarded within five (5) years of the effective date of this act (effective upon becoming law).

<BillComp>

- According to TDOT, the bill as amended does not add any requirements that are not already part of the department's procedures.
- According to TDOT, changing the Tennessee Tollway Act to a pilot program as proposed will not change the impact estimated by the original fiscal note.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

/rnc